SUPPLEMENTARY GRANTS.

1. Rs. 3,000—under 7—Excise Refunds.

Mr. M. K. Raman (*Commissioner of Excise*): Sir, I rise to move for a supplementary grant of Rs. 3,000--under '7—Excise Refunds'. The notes circulated among the members would have given them an idea of the object of this grant. I may say at the outset that this money which I ask for, is money which we have already collected from the licensees of liquor traffic, part of which has to be refunded to them, since we have collected in excess of what is actually due to us. This has been necessitated on account of the introduction of certain changes in the rules regarding the collection of gallonage fee on foreign liquor imported into the State. Formerly the practice obtaining was to collect from the importers of foreign liquors a gallonage fee on the quantity that is expended in the State, at the end of every quarter year, the calculation being based upon the quantity that is sold in the State. It is the principle of taxation on liquors that the fees are due to the Government of the country in which the liquors are consumed. This old practice of collecting fees at the end of every quarter was found to be unsatisfactory and we changed our rule by which we are now collecting the gallonage fee on the foreign liquor, as soon as the Import takes place, that is to say at the time the permit for import is given. After collecting gallonage fee, finally we give a remission on the quantity that is exported from this State, out of the total quantity that is imported. The foreign liquor that is exported from our State, as soon as it is taken to the consuming country will again be charged by that country and unless we refund the fee that we have already collected, the commodity will be subject to a double taxation. It is this change of rule that has given rise to the necessity for this supplementary grant. This could not have been evidently foreseen at the beginning of the year. This is one item.

Well Sir, another item, for which I ask the refund grant, arises out of the transactions. Some of the honourable members may be aware that we have begun recently to manufacture in the Trichur Distillery what is called the "Indian made foreign liquor". A part of this stuff also may be exported. As soon as the spirit necessary for the manufacture of this kind of foreign liquor is taken up by the contractor, we are collecting the duty on this spirit from him. But the whole quantity manufactured there, may not be consumed in this State. And there is a proposal to export a part of the foreign liquor made in our distillery. In the event of such a thing being done, we have

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to refund the fee that we collected, at least in so far as the quantity that we export from this State. A part of the amount asked for, is on that account also.

Again a small margin will have to be left for certain unforeseen expenditure, such as the refund of certain license fees and remission of kists. We have recently introduced certain changes in our dangerous drugs rules, drugs such as morphia, cocaine, etc. The present rules have reduced their rate of duty. In ignorance of this change, some people seem to have paid the duty that was prevailing according to the old Rules. This excess amount has to be refunded. Then some remission of kists and tree tax, etc., may also become necessary. For all these items together, a sum of Rs. 3,000 has become necessary. The House therefore sees that this amount is not a loss to our Government but it is only refunding the amount collected by us in excess of what we are legitimately entitled to. I request therefore that the House may be pleased to grant this amount.

Mr. Shabdai S. Koder (*Jews—Nominated*): The change of the rules creates hardship to people and it is an unnecessary change. I hope the present member will look into it.

Mr. L. M. Pylee (*Latin Christians—Ernakulam*): On a point of information, Sir, as regards the 2nd item, why was it not foreseen when the budget framed ?

Mr. M. K. Raman (*Commissioner of Excise*): As a matter of fact, we have not begun to export the foreign liquor. A request has been made to allow the export of the liquor manufactured in the Distillery. If that is allowed, I may have to come here again with a supplementary grant. In the beginning of the year, there was no idea of exporting the foreign liquor. Perhaps it was only in an experimental stage then. I am not quite sure of it. However, the idea of export came in only now and that is the reason why it could not have been anticipated in the beginning of the year.

The demand was put and carried.

2. Rs. 214—12—7 under 16—Law and Justice. B. 2. District Court—Refunds.

Mr. C. A. Kunjunni Raja (*Advocate-General*): Sir, I rise to move for an additional allotment of Rs. 214—12—7 under '16—Law and Justice—B. 2—District Courts—Refunds'.

Certain irregularities were noticed in the Office of the Anjikaimal Government Pleader at the time of scrutiny of the accounts of the Office from 14th Mithunam 1108 to 11th Thulam

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